

# United Grain Growers Limited

## BY-LAWS AND CHARTER

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Being new By-laws drafted and approved by  
the shareholders in August, 1917;

ALSO

Charter of The Grain Growers' Grain Co. Ltd.,  
as amended to provide for the amalgama-  
tion of that Company with The Al-  
berta Farmers' Co-operative  
Elevator Co. Ltd.

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## To Our Shareholders-

In supplying you with the By-laws of United Grain Growers Limited, we wish to refer you to

**PRINCIPAL BY-LAW No. 1—LOCAL SOCIETIES;**

**BY-LAW No. 16—LOCALS;**

**BY-LAW No. 17—LOCAL BOARD.**

These By-laws deal particularly with the government of the Company from the standpoint of the individual shareholders, and all members should become conversant with same.

**UNITED GRAIN GROWERS LIMITED**

# BY-LAWS AND CHARTER

**United Grain Growers Limited**

*Offices at*

*Winnipeg, Calgary, Regina, Saskatoon, Fort William*

*Agency at New Westminster, B.C.*



**Being new By-laws drafted and approved by  
the shareholders in August, 1917;**

**ALSO**

**Charter of The Grain Growers' Grain Co., Ltd.,  
as amended to provide for the amalgama-  
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berta Farmers' Co-op-  
Elevator Co., Ltd.**



# BY-LAWS

## United Grain Growers Limited

*Adopted by Shareholders, August 15th,  
1917:*

### PRINCIPAL BY-LAWS

#### By-Law No. 1—Local Societies

1—Pursuant to and in exercise of the powers vested in the Company by Section 6 of an Act passed at the Seventh Session of the Twelfth Parliament of Canada, 7 Geo. V. (1917), *IT IS HEREBY ENACTED AS A BY-LAW* of the Company as follows:

(1)—The shareholders of the Company, including the persons who shall hereafter become shareholders, shall be grouped in local societies hereinafter called "Locals."

Grouping into locals

*AND IT IS HEREBY DECLARED* that any shareholder of the Company shall have the right to vote in only one of such Locals.

Delegate to annual meeting

(2)—Each of said Locals shall be entitled to elect from its members one delegate to represent the Local at the annual and other meetings of the Company; provided, however, that a Local which has 188 or more members shall have the right to elect from its members two delegates for the purpose aforesaid.

40 shareholders the minimum

(3)—Said Local shall be formed upon such territorial limits or other basis as shall be determined by the Directors of the Company; provided, however, that a Local shall be composed of not less than forty shareholders.

Determining limits of locals

(4)—Said Local shall be formed by the Directors of the Company, who are hereby invested with power from time to time to determine as well as vary the territorial limits or other basis from or

Directors em-  
powered to pass  
by-laws govern-  
ing locals

upon which each of said Locals and membership therein shall be drawn or formed.

(5)—Notwithstanding anything in by-laws subsequently contained under caption "Locals," the Directors are hereby invested with power from time to time to adopt by-laws or resolutions in the terms and to give effect to the provisions in said subsequent by-laws herein contained under said caption, and with power from time to time notwithstanding said subsequent by-laws to make by-laws and regulations for the holding of meetings by said Locals for the selection of delegates; the doing by said Locals of all things needful to insure the representation of said Locals by delegates at meetings of the Company, and the transaction by said Locals of business proper or needful to be dealt with by them to carry out objects of said Section 6, and including the power to do all things needful whether by by-law or otherwise to give effect to said Section 6 and all by-laws passed under said Section 6.

(6)—The Directors are hereby invested with power to do all things which in their judgment are necessary to give effect to said Section 6.

Considered as  
part of general  
by-laws

(7)—For the purpose of preserving and giving effect to certain terms and references in this by-law contained, it is hereby enacted and declared that this by-law shall be placed in the order of the Company's by-laws as though it had been adopted previously to the enactment of and as part of the general by-laws enacted this date, and shall have the same meaning and effect as though it had been enacted previous to and as a part of said general by-laws.

### **By-Law No. 2—Abolition of Proxy Voting**

1—WHEREAS by Section 5 (1) of Act passed at the Seventh Session of Twelfth Parliament of Canada, 7 Geo. V. (1917), amending Chapter 80 of the Statutes of 1911, incorporating the Company and Chapter 73 of the Statutes of 1915, it is enacted that the Company may by by-law adopted by a vote of not less than two-thirds of the shareholders of the Company present or represented by proxy at a general or special meeting of the Company

duly called to consider said by-law, enact that no shareholder of the Company shall thereafter have the right to vote by proxy, whereupon any right whether by law or under any provision in Chapter 80 or in the amending Act, Chapter 73, of the Statutes of 1915, to vote by proxy, shall cease and determine, and any provisions in said Chapters 80 and 73 inconsistent with said by-law shall thereupon become and be repealed.

No shareholder can vote by proxy.

*AND WHEREAS* by said Section 5 (2) it is enacted that no by-law passed under the provisions of said section shall go into operation until a by-law has been passed under the next succeeding section (Section 6) giving the shareholders representation at annual or other meetings by means of elected delegates as soon as the right of voting by proxy is abolished.

Delegates elected to attend meetings.

*AND WHEREAS* a by-law has been passed under and in accordance with the provisions of said Section 6, giving shareholders representation at annual and other meetings by means of elected delegates.

*IT IS HEREBY ENACTED AS A BY-LAW OF THE COMPANY* that no shareholder of the Company shall hereafter have the right to or shall vote by proxy, and the right of the shareholder to vote by proxy is hereby declared to be at an end from and after the passing hereof.

## GENERAL BY-LAWS

### By-Law No. 3—Interpretation Clauses

1—The term "Board of Directors" wherever hereinafter used shall mean Board of Directors of the Company.

Terms defined.

2—The term "Local" or "Locals" wherever used shall mean a local society formed pursuant to by-law of the Company, passed under Section 6 of Act passed at Seventh Session of Twelfth Parliament of Canada, 7 Geo. V. (1917), amending charter of Company.

3—The term "Local Board" wherever used shall mean Board of Directors of a local society formed pursuant to said Section 6.

4—The words "he" and "his" shall mean and include "she" and "her."

### By-Law No. 4—Meetings of the Company

Holding annual meetings.

1—The annual meeting of the Company shall be held at such place in the Province of Manitoba or Saskatchewan or Alberta as the Company in General Meeting or as the Directors from time to time may decide, and shall be held in the month of November in each year or such other month as the Board of Directors may determine, such annual meeting to be for the purpose of reviewing the reports of the Directors for the year previous, which year shall end on August 31st, the transaction of all business proper to come before such meeting, and the election of Directors for the ensuing year. In absence of direction from the Company the Directors shall in deciding the place of annual meeting, if deemed by them practicable to do so, select alternatively the cities of Calgary and Winnipeg, so that such meetings shall be held alternatively and in rotation at said cities in the order herein named, the first of said meetings to be held at Calgary.

Calling special meetings.

2—A special meeting of the Company may be called at any time by the Directors whenever they deem the same necessary, to be held at such place as they may appoint. The President shall call a special general meeting of the Company whenever requested to do so by resolution passed at ten per cent. of the Locals of the Company, said resolution to be contained in a requisition in writing which shall clearly state the nature of the business proposed to be transacted at such meeting. Said requisition shall be accompanied by a certificate signed by the Chairman and Secretary of each of said Locals attesting to the adoption of the resolution.

Notices to go to chairman and secretary of local.

3—Notice of time and place for holding any annual or special meeting of the Company shall be given by mailing the said notice by prepaid registered letter at least twenty days previous to the holding of said meeting to the address of the Chairman and Secretary of each of the Locals into which the shareholders shall have been grouped, but neither the omission to mail such notice nor the non-

receipt of same by any Chairman or Secretary shall invalidate any of the proceedings of the meeting of the Company.

1—At any general meeting of the Company a by-law or a resolution put to a vote at the meeting shall be decided on a show of hands, unless a poll is demanded by at least ten per cent. of the delegates, and, unless a poll is so demanded, a declaration by the Chairman that a by-law or a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to this effect in the minutes of the proceedings, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favor of, or against the resolution or by-law.

*Vote by show  
of hands.*

5—If a poll is duly demanded, it shall be taken in such manner as the Chairman directs.

6—In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall not be entitled to a second or casting vote, but the motion shall be declared lost.

*Chairman can-  
not vote second  
time.*

### By-Law No. 5—Directors

1—There shall be a Board of twelve Directors who may in all things administer the affairs of the Company, and may make or cause to be made for the Company any contract which the Company may by law enter into.

*Twelve  
directors.*

2—Any shareholder of the Company owning one share absolutely in his own right and not in arrears in respect of any call thereon, shall be qualified to act as Director thereof.

3—(a)—All Directors elected at the meeting at which these by-laws are passed shall vacate office at the next annual general meeting of the Company whenever held.

*Those who are  
eligible.*

(b)—At the next annual meeting of the Company four Directors shall be elected for three years, four for two years and four for one year, and thereafter a sufficient number of Directors shall be elected

*Elected for  
three years.*

each year to fill the vacancies occurring on the Board; and all Directors elected annually subsequent to this general meeting shall hold office for three years; provided that the delegates at any general meeting may, by a resolution which shall receive three-fifths majority of the delegates voting thereon, remove any Director or all Directors before the expiration of his or their period of office, and may subsequently elect any other shareholder or shareholders in his or their stead; the shareholder or shareholders so elected shall hold office during such time only as the Director or Directors in which place he or they are elected would have held the same if the said Director or Directors had not been removed.

Filling  
vacancies.

(c)—All Directors shall hold office until their successors are elected, and in the event of death or resignation, or upon ceasing to act as Director, or on ceasing to be a shareholder, the vacancy thus created shall be filled until the next annual meeting of the Board from among the qualified shareholders of the Company, and at the annual meeting the vacancy shall then be filled by the delegates and the Directors so elected shall then hold office for the balance of the term for which he was elected.

(d)—Each Director, until his successor is elected or appointed, shall be entitled to take part in meetings of the Company, though he is not a delegate of a Local at such meetings.

Open nominations.

4—Nomination for the office of Director shall be made openly in the annual meeting of the Company and elections shall be by ballot. No nominee shall be declared elected who does not receive the support of the majority of votes of the ballots cast.

Vote by ballot.

5—For the purpose of electing Directors the names of all nominees shall either be printed on ballot papers and each delegate shall place a cross opposite the names of the nominees he desires to vote for, or each delegate shall write the names of the nominees he desires to vote for upon a plain sheet of paper, provided for the purpose, in the event of the delegates deciding by vote to dispense with the printing of the ballot.

6—Any ballot paper for the election of Directors not containing votes to the exact number directly

required shall be declared spoiled, but excepting as aforesaid, a ballot paper shall not be declared spoiled if the intention of the voter is reasonably apparent.

7—For the purpose of ascertaining and declaring the result of the election of Directors three delegates who shall not be nominees shall be appointed by the Chairman to act as scrutineers.

Appoint three  
scrutineers

8—Seven Directors shall constitute a quorum at any meeting of the Board.

Quorum

9—A retiring Director shall be eligible for re-election.

10—Unless otherwise determined in any special case by resolution of a general meeting the office of a Director shall *ipso facto* be vacated in any of the following cases:—

(a)—If he absent himself from four consecutive meetings of the Board of Directors without the consent in writing of the other Directors.

Office of  
director  
vacated

(b)—If any member of the Board of Directors, officer, servant or employee of the Company, shall take or possess any pecuniary interest, profit or promise or expected benefit in or from any contract, whether in his own name or in the name of another with the Company, he shall be disqualified from holding any office or position of trust in connection with the Company, unless he has declared his interest at the meeting of Directors at which such contract is determined upon, if his interest then exists or in any other case, at the first meeting of the Directors after the acquisition of his interest, but .. shall not vote on any question relating to such contract.

11—The Directors may from time to time appoint such officers, agents or servants of the Company as they may from time to time consider necessary, and for such term and at such remuneration as they may think fit, and such officers, agents or servants may be members of the Board of Directors, providing, however, that not more than five of the Board of Directors shall be officers of the Company at one time.

Appointing  
officers

**Majority vote**

12—The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. The Chairman shall have the right to vote on all questions, but shall not have a second or casting vote in the event of a tie, in which case the motion shall be deemed lost.

**Vote of meeting valid.**

13—All acts done by any meeting of the Directors or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person to act as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

**Electing officers.**

14—It shall be the duty of the Directors to meet as soon after the close of the annual meeting as possible and elect a President and one or more Vice-Presidents from among their number, and a Secretary who may or may not be a member of the Board of Directors.

**Executive committee**

15—The Directors shall appoint an Executive Committee, consisting of the President, First Vice-President and of three Directors, all or any of whom may be removed at the pleasure of the Board. The duties of the Executive Committee and of any officer or officers of the Company shall be fixed and determined by resolution of the Directors.

**Delegating powers.**

16—The Directors may from time to time and at any time delegate to the said Executive Committee, or any committee or committees or officer or officers hereof, any or all of the powers, authorities and discretions for the time being vested in the Directors, and may authorize the said Executive Committee to form such committee or committees of their members as they may consider advisable with power to delegate to such committee or committees the powers for the time being vested by the Board of Directors in the said Executive Committee.

**Appointing attorneys**

17—The Directors may at any time, and from time to time, by power of attorney, under the seal, appoint any persons to be the attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those

**BY-LAWS OF THE COMPANY**

vested in or exercisable by the Directors under these presents), and for such period and subject to such conditions as the Directors may from time to time think fit; and any such appointment may (if the Directors think fit) be made in favor of any Company, or of the members, Directors, nominees, or managers of any Company or firm or otherwise in favor of any fluctuating body of persons, whether nominated directly or indirectly by the Directors, and any such power of attorney may contain such provisions for the protecting or convenience of persons dealing with such attorneys as the Directors think fit.

Power of  
directors

18—The Directors of the Company may from time to time by by-law make such allowance to the Directors as they consider advisable.

Directors'  
allowance.

19. The President shall be the Executive Head of the Company, and shall, subject to the Board of Directors, have charge of the general policy of the Company. He shall, if present, preside at all meetings of the Company; he shall call meetings of the Board of Directors when deemed by him necessary. In his absence the First Vice-President shall call meetings of the Board of Directors and shall have said powers.

Executive head

20.—The Directors may from time to time determine what books shall be kept by the Company, and at what place or places, and such books shall be open during business hours to the inspection of the Directors or any agent or agents of the Local duly authorized in writing.

Calling  
meetings

21.—The President, or in his absence, the First Vice-President, shall call a meeting of Directors at any time at the request in writing of any four Directors, such requisition to state clearly the business to be transacted.

22—Meetings of the Directors shall be called by ten days' notice in writing, mailed to each Director at his usual place of abode, or on three days' notice by telegram or telephone. Meetings may be held without notice if all Directors are present or if those absent waive in writing notice of such meeting.

**By-Law No. 6—Auditors**

1—An auditor, who shall be a chartered accountant, shall be appointed by the shareholders in general

Duties of  
auditor

meeting. It shall be the duty of the auditor to make a full and careful audit of the books and accounts of the Company, once at least in every year, and to ascertain and certify to the correctness of the balance sheet.

Access to books,  
accounts, etc

2—The auditor of the Company shall have the right of access at all times to the books, accounts and vouchers of the Company, and shall be entitled to acquire from the Directors and officers of the Company such information and explanations as may be necessary for the performance of his duties, and the auditor shall sign a certificate at the foot of the balance sheet stating whether or not their requirements as auditors have been complied with, and shall make a report to the shareholders on the accounts examined by them, and the balance sheet laid before the Company in general meeting, and in such report shall state whether in their opinion the balance sheet referred to in the report is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as shown by the books of the Company.

The Company's  
seal

## By-Law No. 7—Corporate Seal

1—The corporate seal in the design impressed hereon shall be the seal of the Company, and whenever used shall be authenticated by the signature of the President and Secretary or such other persons as the Board of Directors may from time to time appoint.

Signatory  
powers

## By-Law No. 8—Signatory Powers

1—The Directors shall by resolution provide and determine by whom the signatory powers of the Company shall be exercised with respect to cheques, bills of exchange and all other writings and documents.

## By-Law No. 9—Financial and Borrowing Powers

1—The Directors may make such arrangements with any chartered bank or banks, or any other recognized financial institution, for the deposit of money or securities belonging to the Company for the conduct of the financial matters of the Com-

**BY-LAWS OF THE COMPANY**

pany as they shall from time to time deem necessary, including the borrowing from time to time of such money as they may deem necessary for the Company's business. The Directors are hereby empowered to borrow upon the credit of the Company for the purpose of the Company up to and not exceeding the sum of ten million dollars (\$10,000,000), and to secure any money so borrowed, whether by present advance or represented by past or existing indebtedness, they are hereby empowered to hypothecate, mortgage or pledge the real or personal property of the Company or both, and may from time to time hypothecate, pledge or assign to secure any money so borrowed, bills of lading, warehouse receipts, promissory notes and other securities of the Company, and the same may be hypothecated, pledged, assigned, endorsed or transferred by the Company by such officer or officers of the Company as may be designated by resolution of the Board of Directors.

Borrowing on credit of company

2—For the purpose of raising money by debentures, bonds or other form of security as herein provided, the Directors of the Company are hereby authorized from time to time to:—

(a)—Borrow money in a sum up to and not exceeding Two Million Five Hundred Thousand Dollars (\$2,500,000) upon the credit of the Company.

(b)—Limit or increase the amount to be borrowed.

(c)—Issue bonds, debentures or other securities of the Company for sums not less than one hundred dollars (\$100.00) each, and pledge or sell the same for such sum and at such prices as may be deemed expedient.

Bonds, debentures, and other securities.

(d)—Hypothecate, mortgage or pledge the real or personal property of the Company, or both, to secure any such bonds, debentures or other securities and any money so borrowed for the purpose of the Company.

Mortgaging Company's property

**By-Law No. 10—Shares**

1—The Board of Directors shall receive subscriptions for and make allotment of shares in the Company upon such terms as they deem advisable.

Allotting shares

Certificate on  
receipt of full  
payment.

2—Every person whose name is entered as a member in the register of members shall upon payment in full of the shares subscribed for by him be entitled to a certificate under the seal of the Company, specifying the share or shares held by him, and that they are fully paid, provided, however, that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and the delivery of the certificate for a share to one of the several joint holders shall be sufficient delivery to all.

Renewing  
certificates.

3 If a share certificate is defaced, lost or destroyed it may be renewed on payment of such fee, if any, not exceeding one dollar (\$1.00), and on such terms as to evidence and indemnity as the Directors think fit.

4—The Company shall not be bound by or recognize any equitable contingent, future or partial interest in the nature of a trust or otherwise in any share or any other right in respect of any share except an absolute right thereto in the person from time to time registered as the owner thereof.

Transferring  
shares

5—The allotment certificates of the Company shall be issued in such form as the Directors shall direct.

Directors must  
approve  
transfers

6—The instrument of transfer of any shares in the Company shall be executed both by the transferor and transferee, and the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

Transfer fee.

7—Transfers of shares shall be in such form as the Directors may approve.

8—No transfer of stock from one person to another shall be valid unless approved by the Board of Directors, and it shall be the duty of the Secretary or Assistant Secretary to satisfy himself that the person to whom the transfer is to be made is qualified to become a shareholder, or if already a shareholder that he does not by reason of a proposed transfer hold more than one hundred shares.

9—A fee not exceeding one dollar shall accompany every application for transfer of share.

10—Transfers of shares shall be recorded in books

provided for the purpose and signed by the shareholder or his duly constituted agent.

1—The transfer books and registration of shareholders may be closed during such time as the Directors may think fit, not exceeding in the whole ninety days in each year.

Books closed

12 The executors or administrators of a deceased shareholder shall be the only persons recognized by the Company as having any title to the share. In the case of a share registered in the names of two or more shareholders, the survivors or survivor or the executors or administrators of the deceased survivor shall be the only persons recognized by the Company as having any title to the share.

Deceased shareholders

13 Any person becoming entitled to a share in consequence of the death or insolvency of a shareholder, shall, upon such evidence being produced as may from time to time be required by the Directors, have the right, subject to the Company Act of Incorporation, either to be registered as a shareholder in respect of the share or instead of being registered himself to make such transfer of the share as the deceased or insolvent shareholder could have made; but the Directors shall in either case have the same right to decline registrations as they would have had in the case of a transfer of the share by the deceased or insolvent person before his death or insolvency.

Trust  
stock  
holders

### By-Law No. 11—Lien on Shares

1—The Company shall have a lien on every share (not being a fully paid share) for all moneys whether presently payable or not, called or payable at a fixed time in the respect of that share, and the Company shall also have a lien on all shares (other than fully paid shares) for all moneys presently payable by a shareholder or his estate to the Company. The Company's lien, if any, on a share shall extend to all dividends payable thereon.

non uppr  
k

2—The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of

Company may  
sell stock with  
payments in  
arrears.

fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered holder for the time being of the share or persons entitled, by reason of his death or assignment, to the share.

**Disposal of  
proceeds**

3—The proceeds of the sale shall be applied in payment of such part of the amount in respect of which the lien exists, as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the share prior to the sale) be paid to the person entitled to the share at the date of the sale. The purchaser qualified to be a shareholder shall be registered as the holder of the share, and he shall not be bound to see to the application of the purchase money nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale.

**By-Law No. 12—Calls**

**Notice of due  
payments.**

1—(a)—The Directors may from time to time make calls upon shareholders in respect of any moneys paid on their shares. Thirty (30) days' notice shall be given specifying the time and place of payment.

**Joint share-  
holders.**

(b)—The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

2—If a sum called in respect of a share is unpaid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the same at the rate of six per cent. per annum from the day appointed for the payment thereof to the time of the actual payment, but the Directors shall be at liberty to waive payment of interest wholly or in part.

3—The provision of these by-laws as to payment of interest shall apply in the case of non-payment of any sums which by the terms of issue of a share become payable at a fixed time as if the same had become payable by virtue of a call, duly made and notified.

4—Nothing in these by-laws contained shall deprive the Company of the benefit of the provisions

**Interest on  
overdue pay-  
ments.**

contained in Section 169 and 170 of the Dominion Companies Act, Chapter 79 R.S.C. 1906. (See foot note).

### By-Law No. 13—Forfeiture of Shares

1—If a shareholder fails to pay any call or instalment of a call or any other instalment of the purchase price of a share or shares on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may be accrued.

Serving notice

2—The notice shall name a further day (not earlier than the expiration of fourteen (14) days from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed, the shares in respect of which the call was made or is payable will be liable to forfeiture.

Shares liable  
to forfeiture

3—If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect.

4—A forfeited share shall be deemed to be the property of the Company, and the same may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before the sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

Disposal of  
forfeited shares

169—The Company may enforce payment of all calls and interest thereon, by action in any court of competent jurisdiction.  
R.S., c. 118, s. 19.

Enforcement  
of payment  
of calls.

170—In such action it shall not be necessary to set forth the special matter, but it shall be sufficient to declare that the defendant is a holder of one share or more, stating the number of shares, and is indebted to the company in the sum of money to which the calls in arrears amount, in respect of one call or more, upon one share or more, stating the number of calls and the amount of each call, whereby an action has accrued to the Company under this part.

Form of  
action.

Subscriber  
liable on  
forfeited shares.

5—A person whose shares have been forfeited shall cease to be a shareholder in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay the Company all the moneys which at the date of forfeiture were presently payable by him to the Company, in respect of the shares, but his liability shall cease if and when the Company receive payment in full of the nominal amount of the shares.

Title to share

6—A statutory declaration in writing that the declarant is a Director of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and that declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof, shall constitute a good title to the share, and the person to whom the share is sold or disposed of shall be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

Forfeiture on  
premium also.

7—The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share or by way of premium, as if the same had been payable by virtue of a call duly made and modified.

## By-Law No. 14—Service of Notice

Serving notice.

1—Except where otherwise provided, either by law or in these by-laws, wherever notice is required either by law or under these by-laws to be given to a shareholder the same may be given either personally to him or by sending it by post to him to his usual or last known address, or to the address, if any, supplied by him to the Company for the giving of notice to him.

Where a notice is sent by post service of notice shall be deemed to be effected by properly address-

ing, prepaying and posting a letter containing the notice and, unless the contrary is proved, shall be deemed to have been received at the time at which the letter would be delivered in the ordinary course of post.

2 - A notice may be given to the joint holders of a share by giving the notice in manner herein provided to the joint holder named first in the register in respect of the share.

*Notice to joint,  
holders*

### **By-Law No. 15—Dividends**

1 The declaration of dividends, including the basis on which it is declared and payment thereof, is hereby vested in the Board of Directors.

*Basis of  
dividends*

2 If several persons are registered as joint holders of any share, payment or dividends may be made to any one of them, whose receipt for the same shall be binding upon his co-shareholders.

3 -No dividend shall bear interest against the Company.

### **By-Law No. 16—Locals**

1 -To constitute a Local it is necessary that the members of a Local shall hold or shall subscribe among them not less than two hundred and sixty-seven (267) shares.

*Constituting  
a local*

2- Each Local shall elect at its annual meeting from its members a Local Board, consisting of five (5) members, three (3) of whom shall form a quorum; and shall also elect a delegate or delegates (if entitled to elect two (2) delegates) who may or may not be a member of said Board of Directors, to represent the Local at meetings of the Company. The member in nomination as a delegate who receives the next highest vote to that received by the elected delegate shall be a substitute delegate, in the order of the vote received, and shall act as a delegate in event of elected delegate not being able to attend at meeting of the Company.

*Electing  
officers*

3—An annual meeting of the members of each Local shall be held upon such date and at such place as shall be decided by the Local Board; always provided that such meeting shall be held at least

*Local meetings.*

three (3) days prior to the date of the annual meeting of the Company, and provided further that such meeting may be called by the President, or in his absence a Vice-President of the Company, upon such date and at such place and in such manner as the Board of Directors may decide.

*Calling meetings*

4. A special meeting of the members of a Local may be called at any time by the Chairman thereof or by the President or in his absence a Vice-President of the Company, whenever they or he deem the same necessary or advisable. It shall also be necessary for the Chairman of each Local to call a special meeting of the members thereof whenever requested to do so by the Local Board or in writing by one-fourth in number of such members, provided that such written requisition shall contain a clear statement of the business to be transacted at such special meeting.

5. All questions at any annual or special meeting of the members of a Local shall be decided by a majority vote of those present.

6. The Local Board shall meet, adjourn and otherwise regulate its meetings as it thinks fit; provided further that meetings of the Local Board may be called at such time and in such place as the President, or in his absence a Vice-President shall by notice request.

*Notice of meetings.*

7. Notice of the time and place for holding the annual or special meeting of the members of a Local shall be given by notice in writing, signed by the Chairman or Secretary of the Local, by mailing such notice less than five (5) days previous to the holding of said meeting to the last known address of each member; but neither the omission to mail said notice nor the non-receipt of same by a member shall invalidate the proceedings at any such meeting, or if such annual or special meeting is called by the President or in his absence a Vice-President of the Company, same may be called in such form and manner and on such notice as he may think fit.

8. The Chairman of a Local shall, if present, be the presiding officer at all meetings of the members of the Local and at all meetings of the Local Board. He may vote upon any question, but in the event

**BY-LAWS OF THE COMPANY**

of doing so shall not have a casting vote in the case of a tie. If there is not a majority in favor of a motion it shall be deemed lost. In the event of his absence, the meeting shall elect a Chairman.

Voting at meetings

9—Members of a Local before being allowed to take part in the business of any meeting of members thereof shall, if required, produce for the inspection of the Chairman or Secretary of the Local satisfactory evidence of their being duly qualified share-holders of the Company.

10—Any member of a Local who is not in arrears in respect of any call or instalment upon his share or shares shall be eligible to be elected Chairman or Secretary of the Local or a member of the Local Board, or a delegate of the Local to a general or special meeting of the Company.

Eligible officers

11—An officer of a Local who enters the employ of the Company or engages in any business similar to that carried on by the Company or enters the employ of any person, firm or corporation carrying on such similar business, shall thereupon cease to hold office in such Local, unless the Board of Directors declare otherwise.

12—A member of the Local Board who is otherwise eligible shall upon retiring from office or at any time subsequently be eligible for re-election to the same.

13—Nominations for the Local Board, or as delegate to the general or a special meeting of the Company, shall be made openly in the annual or other special meeting of the Local and elections upon said nominations shall be by ballot.

Open nominations

14—At all meetings of a Local, each member present shall have but one vote and proxies shall not be allowed.

One vote and no proxies

15—For the purpose of ascertaining and declaring the result of all elections held by a Local, three (3) fully qualified members of the Local who have not been placed in nomination shall be appointed scrutineers.

Three scrutineers

**By-Law No. 17—Local Board**

1—The Local Board shall meet immediately after the annual meeting of the Local and organize by

Duties of  
local board

Making  
recommendations.

Filling  
vacancies.

Chairman's  
report

Secretary's  
duties.

electing a Chairman from their own number, and a Secretary who may or may not be a member of such Local Board.

2 It shall be the duty of the Local Board:-

(a) - To keep in close touch with local conditions and to assist in the development of the business of the Company at such local points.

(b) - To supply to the Board of Directors from time to time any information the said Board may desire regarding the development of the Company's business at that point.

(c) - To recommend to the management of the Company from time to time any line of action that they deem best calculated to promote the best interests of the Company.

(d) - Whenever requested by the President or Management of the Company to act as Arbitrators in any dispute between any shareholder or customer of the Company and the Company.

3 The Local Board shall have power to fill any vacancy that may occur in the Board, and the person appointed shall complete the tenure of office for which his predecessor was elected.

4 - It shall be the duty of the Chairman of the Local Board to preside at all meetings of the Local and of the Local Boards. He shall be ex-officio a member of all committees appointed by the Local and shall submit to the annual meeting of the Local a report of the affairs of the Local on behalf of the retiring Board.

5 In the absence of the Chairman of the Local Board, or his inability to act from any cause, the Local Board shall appoint from among themselves a Chairman pro tem, and in the case of the office of Chairman being vacated, the Local Board shall elect from their own number a Chairman who shall remain in office until the next annual meeting or until the office shall otherwise become vacated.

6 - It shall be the duty of the Secretary of a Local to attend all meetings thereof and of the Local Board, and to keep correct minutes of same; he shall generally perform all duties incident to the office of Secretary under the control and by the advice of the Local Board.

(a) — The Directors of the Company may in their discretion pay to the Secretary of a Local an annual sum not exceeding fifteen dollars (\$15.00) on presentation of a bill for his services, certified to by members of the Local Board.

Secretary's  
pay

7— It shall be the duty of the Chairman and Secretary of the Local Board to provide the delegate or delegates or their substitute or substitutes, to an annual or special meeting of the Company, with proper credentials and instructions and to notify them of the time and place of such meeting.

Delegates'  
credentials

8— Transportation expenses and per diem expenses allowance of Three (3) Dollars shall be paid to all delegates to annual and special meetings of the Company, and the same shall be charged to the current expenditure of the Company.

Delegates'  
Expenses.

### **By-Law No. 18 Inconsistent By-Laws**

All by-laws inconsistent herewith are hereby repealed.

### **By-Law No. 19 Change of Name**

"WHEREAS by Section 1 of Act passed at the Seventh Session of Twelfth Parliament of Canada, 7 Geo. V., amending Chapter 80 of the Statutes of 1911, incorporating the Company, and Chapter 73 of the Statutes of 1915, *IT IS ENACTED THAT:*

"The Grain Growers' Grain Company Limited, hereinafter called 'The Company,' a company incorporated by Chapter Eighty of the Statutes of 1911, may by by-law of the Directors for the purpose, change the name of the Company to 'UNITED GRAIN GROWERS LIMITED.' Upon the passing of said by-law by the Directors, the name of the Company shall become and thereafter shall be 'UNITED GRAIN GROWERS LIMITED,' but such change in name shall not in any way impair, alter or affect the rights or liabilities of the Company, nor in any wise affect any suit or proceeding now pending, or judgment existing, either by or in favor of or against the Company, which notwithstanding such change in the name of the Company, may

New name  
adopted

be prosecuted, continued, completed and enforced as if this Act had not been passed.

"**NOW THEREFORE BE IT ENACTED** as a by-law of the Directors of The Grain Growers' Grain Company Limited, pursuant to the provisions of said section, as follows:—

United Grain  
Growers  
Limited

"That the name of the Company be 'United Grain Growers Limited,' in place of and substitution for the name of 'The Grain Growers' Grain Company Limited,' that said change of name have immediate effect and operation; that all steps be taken and things done to give effect to said change of name, including the use of said name in the seal of the Company, and in the books, forms and other printed and writing material used by the Company; that the business of the Company be transacted in and contracts of the Company be made in said new name, and that announcement of said change of name be made by suitable advertisement in The Grain Growers' Guide."

**An Act to Incorporate The Grain Growers' Grain Company Limited, being Chapter 80, 1911, Statutes of Canada, including Amendments, 1915, and Amendments, 1917**

*Seventh Session, Twelfth Parliament,  
7 George V., 1917*

**THE HOUSE OF COMMONS OF  
CANADA  
BILL 14**

**AS PASSED BY THE HOUSE OF  
COMMONS**

**4th May, 1917**

An Act respecting The Grain Growers' Grain Company Limited and to authorize it to change its name to "United Grain Growers Limited."

**WHEREAS** The Grain Growers' Grain Company Limited has by its petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition; Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1911 c. 80.  
1915 c. 73.

1—The Grain Growers' Grain Company Limited hereinafter called "the Company," a company incorporated by Chapter Eighty of the Statutes of 1911, may by by-law of the Directors for the purpose, change the name of the Company to "United Grain Growers Limited." Upon the passing of said by-law by the Directors, the name of the Company shall become and thereafter shall be "United Grain Growers Limited," but such change in name shall not in any way impair, alter or affect the rights or liabilities of the Company nor in any wise affect any suit or proceeding now pending, or judgment existing, either by or in favor of or against the Company, which notwithstanding such change in the name of the Company, may be

Power to  
change name

Rights  
saved

# CHARTER OF THE COMPANY

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Power to prohibit shareholders voting by proxy

Voting by proxy not to be abolished until voting by delegates is substituted for it

Grouping of shareholders in local societies based on territorial districts

Societies formed by directors who may vary territorial limits

Representation of societies by delegates at meetings.

prosecuted, continued, completed and enforced as if this Act had not been passed.

5—(1)—The Company may, by by-law adopted by a vote of not less than two-thirds of the shareholders of the Company present or represented by proxy at a general or special meeting of the Company duly called to consider said by-law, enact that no shareholder of the Company shall thereafter have the right to vote by proxy, whereupon any right whether by law or under any provision in said chapter 80 or in the Amending Act, chapter 73 of the Statutes of 1915, to vote by proxy shall cease and determine, and any provision in said chapters 80 and 73 inconsistent with said by-law shall thereupon become and be repealed.

(2)—No by-law passed under the provisions of this section shall go into operation until a by-law has been passed under the next following section giving the shareholders representation at annual and other meetings by means of elected delegates as soon as the right of voting by proxy is abolished.

6 (1)—The Company may, by by-law, herein called the "principal by-law," adopted by a vote of not less than two-thirds of the shareholders of the Company present at a general or special meeting of the Company duly called to consider such by-law, enact that the shareholders of the Company, including persons who shall thereafter become shareholders, shall be grouped in local societies formed upon the basis of territorial districts, or such other basis as may be determined in said by-law, or by-law of the directors.

(2)—The Company may enact, by said principal by-law, that said societies shall be formed by the Directors of the Company, and that the Directors shall have power from time to time to determine as well as vary the territorial limits or other basis from or upon which each society and membership therein is drawn or formed, whereupon the Directors shall have said powers.

(3)—Each of the said societies shall be entitled to be represented at the annual or other meetings of the Company by delegates chosen by each society from its members. Said delegates shall alone have the right to vote at such meetings, and said dele-

## CHARTER OF THE COMPANY

gates shall have the same powers at all meetings of the Company as the shareholders of the Company would have had if said principal by-law had not been adopted. Each delegate shall have but one vote and all questions proposed for the consideration of the Company shall, subject to the provisions herein contained, be determined by the majority of votes.

Each  
delegate  
only one  
vote

(4) The Company may enact, by said principal by-law, that the Directors shall from time to time fix the number or proportion of said delegates to be selected by each of said societies, and that the Directors shall have power to do all things needful, whether by by-law or otherwise, necessary to give effect to this section, and all by-laws passed thereunder, including the power to make from time to time by-laws and regulations for the holding of meetings by said societies for the selection of said delegates, the doing by said societies of all things needful to insure the representation of said societies by delegates at meetings of the Company, and the transaction by said societies of business proper or needful to be dealt with by them to carry out the objects of this section. Upon the enactment of said by-law with said provisions, or any of them, the Directors shall be invested with the powers therein provided for.

Powers of  
directors to  
fix number of  
delegates, etc.

(5) The said societies shall have power to do all things necessary to give effect to this section and any by-laws passed thereunder.

Powers of  
societies

(6) The Company may, by by-law or by-laws adopted by a vote of not less than two-thirds of the shareholders of the Company present at a general or special meeting of the Company, duly called to consider said by-law or by-laws or in the event of said meeting being called subsequent to the formation of said societies, the Company may, by by-law or by-laws adopted by a vote of .. less than two-thirds of the delegates chosen by said societies present at a general or special meeting of the Company duly called to consider such by-law or by-laws, make provision for the doing by the Company or by the Directors of all things necessary to give effect to this section.

By-laws  
prior and  
subsequent to  
formation  
of societies

(7) Upon the passing of the principal by-law the word "delegates" shall become and be sub-

Substitution  
of word  
"delegates"  
for  
"shareholders"

Amendments  
to proxy and  
shareholders

Conditional  
repeal of  
certain  
terms and  
provisions

stituted for the word "shareholders" wherever used in the said chapters 80 and 73, except in line nine of section one of the said chapter 80, and in lines eleven and fifteen of section six of the said chapter 73; and for the following words in said chapters 80 and 73, namely:—"Vote of not less than two-thirds of the shareholders present or represented by proxy;" "vote of the shareholders present or represented by proxy;" "vote of two-thirds of the shareholders present or represented by proxy;" there shall be substituted the words "vote of not less than two-thirds of the delegates present."

(8)—Upon the passing of the principal by-laws the following words in section one of the said chapter 73, "and such Company or society shall have at all meetings of The Grain Growers' Grain Company Limited a vote for each share held by it in the capital stock of The Grain Growers' Grain Company Limited, and all provisions in the said chapters 80 and 73 inconsistent with this section shall become and be repealed."

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## ACT PASSED IN 1911 WITH AMENDMENTS OF 1915 AND 1917, EXCEPTING THOSE RELATING TO THE ESTABLISHMENT AND GOVERNMENT OF LOCALS

(Assented to 19th May, 1911)

WHEREAS a petition has been presented praying that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petition; Therefore His Majesty, by and with the advice and consent of the Senate and the House of Commons of Canada, enacts as follows:

Incorporated

1—Thomas Alexander Crerar, John Kennedy, Roderick McKenzie, all of the City of Winnipeg, in the Province of Manitoba; Edward Alexander Partridge and David Railton, of Sintaluta, in the Province of Saskatchewan; Howel Edward Baumonk, of Dundr .. in the Province of Saskatchewan,

## CHARTER OF THE COMPANY

wan; George Langley, of Maymont, in the Province of Saskatchewan; Thomas William Knowles, of Emerson, in the Province of Manitoba, and Alexander von Meiliecki, of Calgary, in the Province of Alberta, together with such persons as become shareholders in the Company hereby incorporated, are hereby constituted a body corporate under the name of United Grain Growers Limited (then The Grain Growers' Grain Company Limited), herein-after called "the Company."

Corporate  
name.

2—The persons named in Section 1 of this Act shall be the first or provisional Directors of the Company, a majority of whom shall form a quorum for the transaction of business.

Provisional  
directors.

3—The Head Office of the Company shall be at the City of Winnipeg, in the Province of Manitoba, but the Directors may establish other offices and places of business elsewhere. Meetings of the Company shall be held at the Head Office or such other place or places in Canada as the Company or Directors, from time to time, may decide.

Head Office  
and other  
places of  
business

4—The capital stock of the Company shall be Five Million Dollars (\$5,000,000), divided into shares of Twenty-five Dollars (\$25.00) each.

Places of  
meeting

5—No shareholder of the Company shall hold or own more than one hundred (100) shares in the share capital of the Company.

Capital  
stock

5a—Provided, however, United Grain Growers Limited may sell shares in its capital stock without limit as to number, to any company or society whether now or hereafter to be incorporated, if such company is authorized to carry on any business which United Grain Growers Limited is authorized to carry on; and, subject to the powers of any such company or society, such company or society, notwithstanding Section 5 of this Act, upon consent by resolution of the Directors of United Grain Growers Limited being first obtained, which consent said Directors are hereby authorized from time to time to give, may acquire and hold any number of shares in the capital stock of United Grain Growers Limited.

Limit to  
number of  
shares held  
by one  
shareholder

Power to  
sell shares  
to other  
companies

Power to  
other  
companies to  
hold such  
shares  
Vote on shares  
held

5b—United Grain Growers Limited may take or otherwise acquire and hold shares in any company

(Section 1  
Bill H  
5 Geo. V  
1915)

# CHARTER OF THE COMPANY

Page 30

Power to  
hold shares  
of other  
companies

(See Section  
2, Bill H.3,  
Geo. V., 1915)

Qualification  
of share-  
holders

Voting  
power of  
shareholders

Term of  
office of  
directors.  
R.S., c. 79  
" 128, 132

Power to  
acquire  
business, etc.  
of Manitoba  
Company.  
Rev. Stats  
Man., 1902  
O. 30;  
payment  
therefor.  
Power to  
continue the  
business

or society, whether now or hereafter to be incorporated, if such company or society is authorized to carry on any business which United Grain Growers Limited is authorized to carry on; and may pay for the same in cash or in fully paid up shares of United Grain Growers Limited or partly in cash and partly in fully paid up shares of United Grain Growers Limited, and may sell or otherwise deal with such shares.

6 Those persons only who are farmers or owners or lessees of farms, and the wives of such persons, shall be eligible to hold shares in the Company; provided, however, that the shares may be allotted to any person not so eligible on resolution adopted by vote of not less than two-thirds of the delegates present at any meeting of the Company.

7 (Repealed.)

8 A shareholder of the Company shall have but one vote, and shall not be entitled to a vote for each share in the stock of the Company he may own.

9—Notwithstanding the provisions of Section 128 of "The Companies Act," the Company may, by by-law, provide that the directors shall be elected for one, two or three years. If the by-law provides for a two years' or three years term of office it may also provide either:

(a) — That the term of office shall be continuous for all Directors; or,

(b) — That a certain proportion of the Directors, not less than one-third, shall retire annually.

10—The Company may acquire, by purchase or otherwise, the franchise, undertaking, real and personal property and other assets of "Grain Growers' Grain Company Limited," a Company incorporated under the "Manitoba Joint Stock Companies Act," subject, however, to all the duties and obligations of the said Company; and may pay for the same wholly or partly in cash, or wholly or partly in fully paid up shares of the Company, or wholly or partly in debentures of the Company, or otherwise; and in the event of such acquisition the Company may continue and carry on as a going concern the business of the said Company.

11—The Company shall not exercise any of the powers conferred upon it by Sections 12 and 13 of this Act until an agreement for the purpose of Section 10 of this Act has been entered into between the Company and the said "Grain Growers' Grain Company Limited," except where the exercise of any of the said powers may be necessary for the purpose of entering into or carrying out the said agreement.

Condition  
precedent  
as to  
commencing  
business

12 The objects or purposes of the Company shall be to produce, manufacture, import, export, buy, sell, deal in and deal with all cereals, fruit, vegetable, animal or other products of the farm, all products or by-products thereof, and all machinery, implements, goods, wares and merchandise which may be used in the production and manufacture of products of the farm, and all articles, substance and things which may be utilized in the said production or in the maintenance, cultivation, improvement and development of farms; and, without restricting the generality of the foregoing expressions, to carry on the business of a farmer in all its branches.

Authorized  
objects or  
purposes of  
the Company

The Company may also carry on the business of a general storekeeper in all its branches both wholesale and retail.

(See Section 3,  
Bill H  
5 Geo. V  
1915)

13—For the objects and purpose set forth in Section 12 of this Act, the Company may:

(a)—Manufacture, buy, sell, deal in and deal with timber, lumber, hardware, bricks, stone, tiles, wood products of all kinds, building material of every description, and all kinds of merchandise and supplies.

Powers  
manufacturing  
and dealing

(b)—Purchase, acquire, develop, operate, hold, dispose of or otherwise turn to account timber lands, timber licenses, coal lands, quarries, water-powers and other lands for the purpose of the Company; and with respect to lands held by the Company in the City of Winnipeg, may erect an office building thereon, part of which shall be used by the Company for its own accommodation and the remainder of which may be leased to tenants.

Timber lands,  
mines, waters,  
powers, etc.

(c)—Subscribe for, purchase or otherwise acquire, and hold, sell or otherwise dispose of the shares,

Holding  
of shares,  
bonds, etc.

bonds, debentures or other securities of any bank, or of any printing or publishing Company, but in the case of a bank to no greater extent than one-fourth of the capital stock of such bank.

**Ships, etc.**

(d)—Purchase or otherwise acquire, build, operate and charter ships, boats, vessels, or other means of transporting passengers and cargo by water.

**Arrangement  
with  
authorities.**

(e)—Enter into any arrangement with any municipal or local authorities that may seem conducive to the Company's objects, or any of them, and obtain from any such authority any rights, privileges and concessions which the Company may think it desirable to obtain, and carry out, exercise and comply with any such arrangements, rights and privileges and concessions.

**Acquisition  
of similar  
businesses, etc.**

(f)—Acquire or undertake the whole or any part of the business, property and liabilities of any person or company carrying on any business which the Company is authorized to carry on or possessed of property suitable for the purposes of the Company, and may pay for the same wholly or partly in cash, or wholly or partly in fully paid up shares of United Grain Growers Limited, or wholly or partly in debentures of United Grain Growers Limited, or otherwise.

**Patents,  
licenses, etc.**

(g)—Apply for, purchase, or otherwise acquire, any patents, licenses, concessions and the like, conferring any exclusive or non-exclusive, or limited rights to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and use, exercise, develop or grant licenses in respect of, or otherwise turn to account, the property, rights or information so acquired.

**Works and  
buildings**

(h)—Construct, improve, maintain, work, manage, carry out or control any roads, ways, tramways, branches or sidings on lands owned or controlled by the Company, bridges, reservoirs, watercourses, wharves, manufactories, warehouses, elevators, electric works, shops, stores, office buildings and other works and conveniences, and contribute

## CHARTER OF THE COMPANY

to, subsidize or otherwise assist or take part in, the construction, improvement, maintenance, working, management, carrying out or control thereof.

(i)—Advance money to customers of the Company, notwithstanding the provisions of Section 167 of "The Companies Act," provided that in no case shall a sum exceeding ten thousand dollars (\$10,000) be advanced to a Director of the Company; and may also guarantee the performance of contracts of any customers.

Loans to  
customers, etc

(See Section 5,  
Bill H.  
5 Geo. V.  
1915).

(j)—Draw, make, accept, endorse, discount, execute and issue, promissory notes, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments:

Negotiable  
instruments.

(k)—Sell or dispose of the undertaking of the Company, or any part thereof, for such consideration as the Company may think fit, and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of the Company.

Sale of  
Company's  
undertakings.

(l)—Do all or any of the above things as principals, agents, contractors, trustees or otherwise, and either alone or in conjunction with others;

As principals  
or otherwise

(m)—Do all such things as are incidental or conducive to the attainments of the objects or purposes of the Company.

Incidentals.

14—For the purpose of its undertaking and subject to Section 247 of "The Railway Act," and, as far as applicable and not inconsistent with this Act, or with "The Electricity Inspection Act," 1907, the Company may acquire, but not by expropriation, electric or other power or energy, which may be transmitted and delivered to any place in the municipalities in which its business is carried on, and may receive, transform, transmit, distribute and supply such power or energy in any form, and may dispose of the surplus thereof, and may collect rates and charges therefor, but no such rates or charge shall be demanded or taken until it has been approved of by the Board of Railway Commissioners for Canada, which may also revise such rates and charges.

Electric  
or other  
power

Rates and  
charges

Consent of municipalities for telegraph and telephone lines.	15—Nothing in this Act or in the Telegraphs Act shall authorize the Company to construct or operate any telegraph or telephone lines, or any lines for the purpose of distributing electricity for lighting, heating or motor purposes, or disposing of surplus power generated by the Company's works, and not required for the undertaking of the Company, upon, along or across any highway or public place without first obtaining the consent, expressed by by-law, of the municipality having jurisdiction over such highway or public place, and upon terms to be agreed upon with such municipality, or to sell, dispose of, or distribute power or energy within, or for use within the limits of any municipality, without the consent, expressed by by-law, of such municipality.
By-law necessary.	16—(1) If authorized by by-law, sanctioned by a vote of not less than two-thirds of the delegates present at a general or special meeting of the Company, duly called for considering the by-law, the Directors may from time to time— (a)—Borrow money upon the credit of the Company;
Borrowings	(b)—Limit or increase the amount to be borrowed;
Amount.	(c)—Issue bonds, debentures or other securities of the Company for sums not less than one hundred dollars (\$100.00) each, and pledge or sell the same for such sums and at such prices as may be deemed expedient, provided that such bonds, debentures or other securities may be for sums not less than twenty pounds sterling, five hundred francs or four hundred marks, or for sums not less than the nearest equivalent in round figures or other money to one hundred dollars in Canadian currency;
Issue of securities.	(d)—Hypothecate, mortgage or pledge the real or personal property of the Company, or both, to secure any such bonds, debentures or other securities and any money borrowed for the purposes of the Company.
Issue in foreign currency.	2—Nothing in this section contained shall limit or restrict the borrowing of money by the Company on bills of exchange or promissory notes made, drawn, accepted or endorsed on behalf of the Company.
Security for bonds, etc.	
Bills and notes not affected hereby.	

**CHARTER OF THE COMPANY**

17—(1) The Directors of the Company may set apart from the earnings and profits in any year of the Company so much thereof as the Directors deem necessary and proper for use as a reserve fund, in addition to the capital and assets of the Company, to be used by the Directors with said capital and assets in carrying on the business of the Company.

Reserve fund.

2—The Company may at any annual general meeting of the Company, on resolution adopted by a vote of the delegates present at such meeting, order that when the profits of the Company in any year show a surplus after providing such rate of interest as may be declared by the Company on the par value of the subscribed capital of the Company and any sum set apart by the Directors as or towards a reserve fund, the said surplus shall be distributed among the shareholders and customers of the Company upon such basis and in such proportion as may be set out in the said resolution; provided, however, that notice of the said resolution shall be mailed or delivered to the shareholders of the Company at the same time that notice of the date of such annual general meeting of the Company is mailed or delivered to the Company's shareholders.

Distribution of surplus.

Notice to shareholders.

18—The Company may on resolution adopted by a vote of two-thirds of the delegates present at any general meeting of the Company, notice of the resolution having been mailed or delivered, with the notice convening such meeting, to the shareholders of the Company, constitute from the earnings of the Company superannuation, pension annuity, insurance and invalidity funds for the benefit of officers and servants of the Company, under and upon such scheme as has been adopted at such meeting by such vote.

Superannuation, pension funds, etc.

19—Nothing in this act shall be deemed to authorize the Company to issue any note payable to the bearer thereof, or any promissory note intended to be circulated as money, or as the note of a bank, or to engage in the business of banking or insurance, or railway construction or operation under the provisions of "The Railway Act"

Limitation of business.



